

Office of Personnel Management

§ 841.1004

Subpart J—State Income Tax Withholding

SOURCE: 52 FR 5432, Feb. 23, 1987, unless otherwise noted.

§ 841.1001 Purpose.

This subpart regulates state income tax withholding from payments of basic benefits under the Federal Employees Retirement System (FERS).

§ 841.1002 Definitions.

For the purpose of this subchapter:

Agreement means the Federal-State agreement contained in this subpart.

Annuitant means an employee or Member retired, or a spouse, widow, or widower receiving survivor benefits, under chapter 84 of title 5, United States Code.

Effective date means, with respect to a request or revocation, that the request or revocation will be reflected in payments authorized after that date, and before the next request or revocation is implemented.

Fund means the Civil Service Retirement and Disability Fund as established and described in section 8348 of title 5, United States Code.

Income tax and *State income tax* mean any form of tax for which, under a State statute, (a) collection is provided, either in imposing on employers generally the duty of withholding sums from the compensation of employees and making returns of such sums to the State or by granting to employers generally the authority to withhold sums from the compensation of employees, if any employee voluntarily elects to have such sums withheld; and (b) the duty to withhold generally is imposed, or the authority to withhold generally is granted, with respect to the compensation of employees who are residents of the State.

Net recurring payment means the amount of annuity or survivors benefits (not recurring interim payments made while a claim is pending adjudication) payable to the annuitant on a monthly basis less the amounts currently being deducted for health benefits, Medicare, life insurance, Federal income tax, overpayment of annuity, indebtedness to the Government, voluntary allotments, waivers, or being

paid to a third party or a court officer in compliance with a court order or decree.

Net withholding means the amount of State income tax deductions withheld during the previous calendar quarter as a result of requests which designated the State as payee, less similar deductions taken from prior payments which are cancelled in the previous calendar quarter.

Proper State Official means a State officer authorized to bind the State contractually in matters relating to tax administration.

Received means, in respect to the magnetic tape containing requests and revocations, received at the special mailing address established by OPM for income tax requests, or, for those items not so received, received at the OPM data processing center charged with processing requests.

Requests means, in regard to a request for tax withholdings, a change in the amount withheld, or revocation of a prior request, a written submission from an annuitant in a format acceptable to the State which provides the annuitant's name, FERS claim number, Social Security identification number, address, the amount to be withheld and the State to which payment is to be made, which is signed by the annuitant or, in the case of incompetence, his or her representative payee.

State means a State, the District of Columbia, or any territory or possession of the United States.

§ 841.1003 Federal-State agreements.

OPM will enter into an agreement with any State within 120 days of an application for agreement from the proper State official. The terms of the standard agreement will be §§ 841.1004 through 841.1007 of this subpart. OPM and the State may agree to additional terms and provisions, insofar as those additional terms and provisions do not contradict or otherwise limit the terms of the standard agreement.

§ 841.1004 OPM responsibilities.

OPM will, in performance of this agreement:

(a) Process the magnetic tape containing State tax transactions against